

Message Text

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USIAEA

FOLLOWING REPEAT BELGRADE 4145 ACTION SECSTATE JUN 1

QUOTE LIMITED OFFICIAL USE BELGRADE 4145

EO 11652: NA

TAGS: ENRG, TECH, YO

SUBJ: KRSKO: DRAFT GOY LETTER FROM FOREIGN SECRETARY VRHOVEC
TO DIRGEN IAEA

REF: A) BELGRADE 4142, B) BELGRADE 4143, C) BELGRADE 4144

BEGIN TEXT: I HAVE THE HONOUR TO REFER TO THE ARRANGEMENT
AMONG THE SFR OF YUGOSLAVIA, THE UNITED STATES OF
AMERICA AND THE INTERNATIONAL ATOMIC ENERGY AGENCY
(IAEA) OF 14 JUNE 1974 CONCERNING THE SUPPLY OF THE
UNITED STATES NUCLEAR FUEL FOR THE NUCLEAR POWER
PLANT KRSKO. AS YOU KNOW THE ISSUE OF SUPPLY OF THE
US FUEL FOR THE KRSKO POWER PLANT REMAINED OUTSTANDING
AFTER WE HAD ON 12 MAY 1977, SOLVED WITH THE UNITED
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STATES THE PROBLEM OF SUPPLY OF EQUIPMENT FOR OUR
FIRST NUCLEAR POWER PLANT (OUR NOTE NO. 427338 OF
18 MAY 1977.) THE DIFFICULTIES AND DIFFERENCES IN
OPINIONS WHICH AROSE AT THAT TIME AND WHICH STILL
APPEAR, WERE DUE TO THE REQUEST OF THE UNITED STATES
GOVERNMENT TO REVISE THE EXISTING AGREEMENTS ON THE
CONSTRUCTION OF THE KRSKO NUCLEAR POWER PLANT, I.E.,

THE REQUEST OF THE US GOVERNMENT FOR ADDITIONAL BILATERAL SAFEGUARDS.

IN THIS CONNECTION I WOULD LIKE TO INFORM YOU THAT THE SFR OF YUGOSLAVIA HAS NOTED THAT THE GOVERNMENT OF THE UNITED STATES AFFIRMED ITS INTEREST IN TIMELY ISSUANCE OF THE NECESSARY LICENSES FOR EXPORT OF FUEL FOR THE FIRST CORE AND FIRST RELOAD AS WELL AS FOR SUBSEQUENT FUEL AS MAY BE REQUESTED FOR THE KRSKO NUCLEAR POWER PLANT, IN ACCORDANCE WITH THE EXISTING AGREEMENTS INCLUDING THE AGREEMENT FOR FURNISHING URANIUM ENRICHMENT SERVICES UNDER THE AGREEMENT FOR COOPERATION OF 14 AUGUST, 1974 ("THE CONTRACT"). IT IS UNDERSTOOD THAT THE UNDERTAKINGS OF THE KRSKO POWER PLANT CONSORTIUM ACCORDING TO THE AGREEMENT CONCLUDED WITH THE EXPORT IMPORT BANK OF 25 JULY, 1974, SHALL APPLY TO ALL NUCLEAR FUEL THE KRSKO NUCLEAR POWER PLANT MAY RECEIVE UNDER THIS ARRANGEMENT.

HAVING IN MIND THAT THE UNITED STATES CONSIDERS DISPOSAL OF IRRADIATED FUEL A PARTICULAR PROBLEM, THE GOVERNMENT OF THE SFR OF YUGOSLAVIA DECLARES ITS READINESS TO STORE THE IRRADIATED FUEL SUPPLIED UNDER THIS AGREEMENT IN ADEQUATE STORAGE FACILITIES ON THE TERRITORY OF THE SFR OF YUGOSLVAIA FOR A PERIOD OF TIME SUFFICIENT FOR ITS POSSIBLE SUBSEQUENT USE IN SUPPORT OF THE ECONOMIC DEVELOPMENT OF THE SFR OF YUGOSLAVIA LIMITED OFFICIAL USE

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AND IN ACCORDANCE WITH THE NON-PROLIFERATION OBJECTIVES. FURTHERMORE, THE SFR OF YUGOSLVAIA EXPRESSES ITS READINESS TO EXPAND ITS IRRADIATED FUEL TEMPORARY STORAGE FACILITIES AND NOTES WITH PLEASURE THE INTENTION OF THE UNITED STATES GOVERNMENT TO PROVIDE APPROPRIATE SUPPORT TO THESE EFFORTS.

WITH RESPECT TO DISPOSITION OF THE US FUEL IRRADIATED IN THE KRSKO NUCLEAR POWER PLANT, THE SFR OF YUGOSLAVIA AND THE UNITED STATES HAVE AGREED TO ACCOMPLISH SUCH DISPOSITION IN ACCORDANCE WITH THE ALTERNATIVES SET FORTH BELOW:

- A. STORAGE IN THE SFR OF YUGOSLAVIA;
- B. STORAGE, PROCESSING OR OTHER DISPOSITION IN ACCORDANCE WITH THE INTERNATIONALLY ACCEPTED ARRANGEMENTS TO WHICH BOTH THE GOVERNMENT OF THE SFR OF YUGOSLAVIA AND THE GOVERNMENT OF THE UNITED STATES MAY SUBSCRIBE;
- C. STORAGE IN THE UNITED STATES FOR A FIXED FEE UNDER RELATED COMMERCIAL ARRANGEMENTS.

WITH RESPECT TO POSSIBLE FURTHER USE OF THE MENTIONED STORED IRRADIATED FUEL, THE GOVERNMENT OF THE SFR OF YUGOSLAVIA REAFFIRMS ITS READINESS TO ENTER INTO

NEGOTIATIONS WITH THE UNITED STATES ON DISPOSITION OF SUCH FUEL WITHIN THE FRAMEWORK OF THE EXISTING INTERNATIONAL AGREEMENTS AND FUTURE MULTILATERAL AGREEMENTS WHICH WOULD REGULATE THIS MATTER.

THE GOVERNMENTS OF THE SFR OF YUGOSLAVIA AND THE UNITED STATES UNDERSTAND THAT THE UNDERTAKINGS CITED ABOVE REFER TO THE FIRST CORE AND FIRST RELOAD AND ANY OTHER SUBSEQUENT RELOAD THAT MAY BE REQUESTED AND TRANSFERRED. THESE UNDERTAKINGS MAY BE TERMINATED, IT BEING UNDERSTOOD THAT SUCH TERMINATION SHALL NOT AFFECT THE RIGHTS AND OBLIGATIONS OF THE PARTIES (INCLUDING THOSE SET FORTH IN THIS LETTER) WITH RESPECT TO FUEL TRANSFERRED TO THE SFR OF YUGOSLAVIA PRIOR TO SUCH TERMINATION. NOTHING IN THESE ARRANGEMENTS IS MEANT TO AFFECT LIMITED OFFICIAL USE

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THE TERMS OR CONDITIONS OF THE AGREEMENT FOR FURNISHING URANIUM ENRICHMENT SERVICES UNDER THE AGREEMENT FOR COOPERATION OF 14 AUGUST, 1974 AND THE AGREEMENT FOR THE SUPPLY OF URANIUM ENRICHMENT SERVICES FOR A NUCLEAR POWER FACILITY IN THE SFR OF YUGOSLAVIA OF 14 JUNE 1974.

THE GOVERNMENTS OF THE SFR OF YUGOSLAVIA AND THE UNITED STATES HAVE ALSO AGREED THAT SHOULD EITHER OF THEM SUBSCRIBE TO ANY NEW INTERNATIONAL AGREEMENT WHICH WOULD REFER TO ISSUES REGULATED BY THIS AGREEMENT, THEY WOULD PROMPTLY ENTER INTO NEGOTIATIONS ON NECESSARY MODIFICATIONS FOR THE IMPLEMENTATION OF THESE AGREEMENTS UNLESS THEIR IMMEDIATE IMPLEMENTATION HAS BEEN PROVIDED FOR THEREIN.

THE GOVERNMENT OF THE SFR OF YUGOSLAVIA EXPECTS THAT THE INTERNATIONAL ATOMIC ENERGY AGENCY BEING A PARTY TO THE TRILATERAL AGREEMENT ON THE CONSTRUCTION OF THE KRSKO NUCLEAR POWER PLANT WILL APPROACH THE UNITED STATES GOVERNMENT REQUESTING A PROMPT ISSUANCE OF THE EXPORT LICENSE FOR THE NUCLEAR FUEL FOR THE KRSKO NUCLEAR POWER PLANT WHICH IS THE OBLIGATION OF THE UNITED STATES GOVERNMENT UNDER PROVISIONS OF THE AFOREMENTIONED AGREEMENT. END TEXT. EAGLEBURGER. UNQUOTE VANCE

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